GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
LOK SABHA

UNSTARRED QUESTION NO:4686
ANSWERED ON:18.04.2001
DECREASE IN KHADI PRODUCTION
RAM PRASAD SINGH

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:

(a) whether the production of Khadi has decreased and a large number of Khadi workers were thrown out of employment;

(b) if so, the details thereof;

(c) whether any memorandum has been received about the problems being faced by KVIC sector; and

(d) if so, the action taken/proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGF RURAL INDUSTRIES (SMT. VASUNDHARA RAJE)

(a) to (d): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF LOK SABHA UNSTRARRED QUESTION NO. 4686 ANSWER ON 18.4.2001

There was decline in Khadi production during 1999-2000 over 1998-99. Similarly, in the case of employment in Khadi sector also there was a marginal decline in the corresponding period. The employment generated in 1999-2000 was 12.35 lakhs as against 13.85 lakhs in 1998-99. The shortfall in Khadi production is mainly due to decline in the sales.

The production of Khadi and Village Industries both in terms of quantity and value as well as corresponding employment for the years 1997-98 to 1999-2000 are given below:

Year	Production (Rs.in cr.) (Mill.Sq.Mtrs.)			Employment (Fig. in lakhs)			Quantity
	Khadi	V.I.	Total	Khadi	V.I.	Total	(Value Rs.)
1997-98	104.20	624.10	3895.21	4519.31	14.01	42.49	56.50
1998-99	98.20	635.89	4476.48	5112.37	13.85	44.44	58.29
1999-00	83.98	551.94	5613.41	6165.35	12.35	46.88	59.23

The Government has received a few representations from various Khadi Institutions, which have, inter-alia given suggestions with respect to the rebate policy, the pattern of financial assistance etc.

The Khadi rebate policy for the financial year 2000-2001 was declared on 1.6.2000. Regarding payment of rebate claims, adequate funds have already been provided to the KVIC. The financial assistance by the banks is provided to khadi institutions on the basis of the Interest Subsidy Eligibility Certificate (ISEC) issued by the KVIC, which in turn is based on the performance of the institutions.